

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Everett Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 28, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.5% to 7.375% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Everett Retirement System  
January 1, 2020 Actuarial Valuation

Total Cost Increasing 5.01% per year to FY29 with Final Amortization Payment in FY30

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Amort. of 2002 ERIP	Amort. of 2003 ERIP	Amort. of 2010 ERIP	Total Cost	Unfunded Act. Liab.	Total Cost % Increase
2021	4,578,410	140,000	12,059,853	77,274	252,404	168,620	17,276,562	108,904,716	
2022	4,784,438	140,000	12,704,545	80,751	263,763	168,620	18,142,118	103,452,123	5.01%
2023	4,999,738	140,000	13,382,662	84,385	275,632	168,620	19,051,038	96,889,233	5.01%
2024	5,224,726	140,000	14,264,551	88,183	288,035		20,005,495	89,097,556	5.01%
2025	5,459,839	140,000	15,014,784	92,151	300,997		21,007,770	79,947,975	5.01%
2026	5,705,531	140,000	15,803,889	96,298	314,542		22,060,259	69,299,872	5.01%
2027	5,962,280	140,000	16,633,871	100,631	328,696		23,165,478	57,000,173	5.01%
2028	6,230,583	140,000	17,955,486				24,326,069	42,882,327	5.01%
2029	6,510,959	140,000	18,893,846				25,544,805	26,765,196	5.01%
2030	6,803,952	140,000	8,451,862				15,395,815	8,451,862	-39.73%
2031	7,110,130	140,000					7,250,130	0	-52.91%

Appropriation payments assumed to be made July 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$850,000

FY21 amount maintained at level of current funding schedule.